



VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

CONDUIT BOND PROGRAM

APPLICATION INSTRUCTIONS

1. A 2005 calendar of VSBFA Board meeting dates and application cut-off dates is attached to these instructions.
2. For tax-exempt financings, public notice of the public hearing to be held by the Virginia Small Business Financing Authority (VSBFA) must be published by the Applicant's Bond Counsel in the legal notice section of a newspaper of general circulation in the jurisdiction in which the facility to be financed is or will be located. The Notice should appear once a week for two successive weeks, with the second publication of notice occurring no less than six (6) days or no more than twenty-one (21) days prior to the date of VSBFA's meeting (see calendar). The form of public notice is included in these instructions for your convenience. A certified affidavit from the newspaper of publication of the Notice must be presented to VSBFA prior to or at the public hearing for which publication was made.
3. The Applicant must deliver to VSBFA **one original and one (1) copy** of the application including all required attachments (see next page), AND **a non-refundable application fee of \$1,000.00**. VSBFA's address is:

Virginia Small Business Financing Authority
707 East Main Street, Suite 300
P O Box 446
Richmond, VA 23218-0446

4. If you have any questions after reviewing the Application, please call or write to VSBFA at the above address or contact our office at 804-371-8254.

REQUIRED ATTACHMENTS

THIS APPLICATION WILL NOT BE CONSIDERED COMPLETE UNLESS THE FOLLOWING ITEMS ARE SUBMITTED WITH THE APPLICATION FORM (ORIGINAL AND 1 COPY).

- A. Cover Letter - Please enclose a letter which includes (i) a brief history and description of the applicant's business; (ii) a description of the project to be undertaken; and (iii) the benefits the community will receive if the financing is approved.
- B. Fiscal Impact Statement (for tax-exempt financings only) - See Exhibit I of Application.
- C. Separate Financial Information - For the Applicant and each project user and guarantor, please attach:
 - 1) A balance sheet (or personal financial statement) dated within the last 90 days.
 - 2) Historical financial statements for the past three fiscal years. In order to keep this financial information confidential and not part of public records, you must mark each page "Confidential".
- D. Lease agreements with tenants or proposed tenants, if applicable.
- E. Commitment letter from financial institution, if available.
- F. Public hearing notice (for tax-exempt financings only).

PLEASE CONTACT VSBFA IF YOU HAVE ANY QUESTIONS AS TO WHAT FINANCIAL INFORMATION IS REQUIRED TO BE SUBMITTED WITH THE APPLICATION.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

MEETING DATES

Contact VSBFA at (804) 371-8254 for time and location of VSBFA Meeting

<u>Date of Meeting</u>	<u>Latest Date Application must be Received by VSBFA</u>
January 19, 2005	12/29/2004
February 16, 2005	01/26/2005
March 16, 2005	02/23/2005
April 20, 2005	03/30/2005
May 18, 2005	04/27/2005
June 15, 2005	05/25/2005
July 20, 2005	06/29/2005
August 17, 2005	07/27/2005
September 21, 2005	07/31/2005
October 19, 2005	09/28/2005
November 16, 2005	10/26/2005
December 14, 2005	11/23/2005

SAMPLE FORMAT OF PUBLIC NOTICE FOR NEWSPAPER PUBLICATION
(Not Necessary for Taxable Financings)

**NOTICE OF PUBLIC HEARING ON PROPOSED TAX-EXEMPT BOND FINANCING OF THE
VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

Notice is hereby given that the Virginia Small Business Financing Authority (VSBFA) will hold a public hearing on the application of (insert name and address of the principal place of business of Applicant) (the "Applicant") for VSBFA to issue, pursuant to the Virginia Small Business Financing Act (the "Act"), up to (insert maximum dollar amount of bonds requested) of its tax-exempt bonds to assist the Applicant (describe whether Applicant is acquiring, constructing, equipping, renovating, etc. facility; approximate square footage of the facility; what type of business will be carried on at facility to be financed) to be located at (give street address and town, city or county where located; if no street address is available, give legal description including acreage, lot, block, etc.), Virginia. The public hearing which may be continued or adjourned, will be held at (insert time after contacting VSBFA at (804) 371-8254) on (insert appropriate date of public hearing), 20__, before VSBFA at (insert location after contacting VSBFA at (804) 371-8254). As required by the Act, the bonds will not pledge the faith and credit or the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including VSBFA, but will be payable solely from revenues derived from the Applicant and pledges therefore. Any person interested in the issuance of the bonds or the location or purpose of the proposed project may appear and be heard. A copy of the Applicant's application may be inspected at VSBFA's office at 707 East Main Street, Suite 300, Richmond, Virginia 23219 during business hours.

APPLICATION TO
THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
FOR THE ISSUANCE OF CONDUIT BONDS

_____ NAME OF APPLICANT(S)	_____ DATE SUBMITTED
_____ LOCATION OF PROJECT (COUNTY OR CITY)	_____ MAXIMUM AMOUNT OF BONDS REQUESTED

APPLICATION

The information requested in this application is necessary to process a request for assistance. Please complete all the blanks, using "NONE" or "NOT APPLICABLE" where necessary. In all cases, if the applicant (project owner) is different from the project user, information should be provided on both entities. If more space is needed to answer any specific question, use a separate sheet of paper.

I. TYPE OF FINANCING

A. For what type of financing are you applying? Choose one.

- (1) Tax-exempt industrial development bond? _____
- (2) Tax-exempt 501(c)(3) bond? _____ (*go directly to Section II*)
- (3) Taxable bond? _____

B. If you checked (1) or (3) above, does the applicant, including any parent or subsidiary corporation or affiliated entity, in Virginia have:

- (1) 250 or less employees? Yes _____ No _____
Please state number of full time employees: _____
- (2) Less than \$10,000,000 in annual gross revenues over each of the last three (3) fiscal years?
Yes _____ No _____
Please state annual gross revenues over each of the last three fiscal years:
2004 \$ _____ 2003 \$ _____ 2002 \$ _____
- (3) Less than \$2,000,000 in net worth? Yes _____ No _____
Please state net worth: \$ _____

II. PROJECT APPLICANT (proposed owner of the project)

A. Applicant's Legal Name: _____

Address: _____

City/State/Zip: _____

Federal Tax ID#: _____

Contact Person and Title: _____

e-mail address: _____

Telephone Number: _____

Fax Number: _____

B. Is the proposed project owner, and/or user, a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship:

C. History and Background of Applicant:

- Corporation _____ Partnership _____ Sole Partnership _____
- Date and State of organization: _____
- Please provide a brief history of the organization and the good or services it provides.

- Please describe your current service area and number of clients or customers, and describe how the proposed project will affect the quantity and quality of goods or services you currently provide.

- Please attach a current listing of the organization's board of directors and (for 501(c)(3) applicants only) verification of its 501(c)(3) status.

D. Officers: Please list the names of the officers of the organization, their titles and their start dates.

Name	Title	Start Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

E. Facility

- Is any part of the facility to be used by another public or private entity? If yes, please explain.
- Does the facility possess all of the necessary licenses and permits for operation? If no, please explain.

III. PROJECT REPRESENTATIVES

Contact Person, Company Name, Complete Address (including zip code), and Telephone Number:

- A. Applicant's Attorney: _____

- B. Applicant's Bond Counsel: _____

- C. Applicant's Accountant: _____

- D. Applicant's Regular Bank
or Lending Institution: _____

- E. Probable Lender/
Guarantor or Underwriter
for this Project: _____

IV. PROJECT SUMMARY

- A. Please provide a brief narrative description of the project to be financed (including square footage, type of facility, products produced, if any, etc.):
- B. Location of Proposed Project
1. Street Address: _____
2. City, County or Town: _____

3. Name, complete address, and telephone number of Clerk of Local Governing Body (i.e., Council [for cities and towns] or Board of Supervisors [for counties]):

Name: _____

Address: _____

Telephone: () _____

C. Zoning and Infrastructure:

1. Do proposed uses of project comply with all governmental zoning and subdivision regulations?

Yes _____ No _____

If no, explain action to be taken to comply.

V. PROJECT COSTS

- A. State the costs reasonably necessary for the completion of the proposed project, together with any machinery and equipment to be acquired in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

1. <u>Description of Cost</u>	<u>Amount</u>
Land (Purchase)	\$ _____
Buildings (Purchase)	_____
Buildings (Construction)	_____
Buildings (Renovations)	_____
Equipment, machinery	_____
Utilities, roads and appurtenant facilities	_____
Engineering and/or Architectural fees	_____
Legal fees	_____
Financial charges	_____
Other (Specify)	_____
TOTAL PROJECT COST	\$ _____
Less: Equity contribution, if any	\$ _____
Other sources of funding (specify)	\$ _____
TOTAL BOND FINANCING REQUESTED	\$ _____

VI. ANTICIPATED BENEFIT TO THE COMMONWEALTH

A. Indicate facts which would support VSBFA in determining that the project would:

1. Tend to maintain, diversify or expand employment opportunities within Virginia:
2. Aid, assist and encourage economic development in Virginia:

B. Employment Impact:

Indicate below the number of people presently employed at the site of the project (or current employees who will be relocating to the project site) and the number that will be employed at the site at the end of the first and second years after the project has been completed (do not include construction workers).

Present Employment _____ Year 1 _____ Year 2 _____

C. State other potential economic, social or non-monetary benefits which will accrue to the citizens of the Commonwealth of Virginia.

VII. The following questions are for statistical purposes only and your response is purely voluntary.

Please indicate the following:

Gender of majority owner(s) _____ (male or female)

Race _____
(White, Asian, Black, Hawaiian or Pacific Islander, Native American, Other)

Hispanic _____ (yes or no)

VIII. CERTIFICATE OF APPLICATION

PLEASE NOTE: Eligibility for financial assistance from VSBFA is determined by the information presented in this Application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of construction or the acquisition of assets such as land or equipment.

Please contact VSBFA before taking any action which would change the status of the project as reported herein.

Name of Applicant

Date

By: _____

Title _____

**AGREEMENT TO PAY VIRGINIA SMALL BUSINESS
FINANCING AUTHORITY'S COSTS AND EXPENSES**

To induce the Virginia Small Business Financing Authority to consider this Application and to assist Applicant in the financing of the project, Applicant, by submitting this Application to the Virginia Small Business Financing Authority, agrees:

1. To pay all costs and expenses of the Virginia Small Business Financing Authority and its counsel, financial advisors and program managers in connection with the processing, authorization, issuance and sale of the bonds contemplated by this Application; either from the proceeds of the bonds which may be approved for the project by the Virginia Small Business Financing Authority, or in the event such financing is not approved or forthcoming, or if such costs are unable to be financed in the bond issue for legal or other reasons, the Applicant agrees to pay all costs from its own resources.
2. To advise the Virginia Small Business Financing Authority in writing of any material change to the information contained in this Application.
3. To provide, after successfully closing on the bond issue, one bound copy of the bond issue transcript for the Virginia Small Business Financing Authority's files.
4. **If this Application is for tax-exempt industrial revenue bond financing or taxable financing, to pay to the Virginia Small Business Financing Authority on each anniversary date of the closing of the bond issue a fee equal to one-eighth of one percent (1/8 of 1%) of the then outstanding principal amount of the bonds. If this Application is for 501(c)(3) financing, to pay to the Authority on each anniversary date of the closing of the bond issue a fee equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of bonds. Applicant must submit a statement evidencing the principal balance due under the bond with a payment for the fees on the anniversary date of the bond issue.**

The aforementioned fees are a debt to the Commonwealth of Virginia. Failure to pay the fees when due will result in legal action and the VSBFA will exercise all rights given to it under the Set-Off Debt Collection Program as authorized under the Virginia Debt Collection Act and the account will be turned over to the Commonwealth's Office of Attorney General for collection and legal action.

The Applicant agrees that the Virginia Small Business Financing Authority shall not be liable to the Applicant for any damages, direct or consequential, resulting from the failure of the Virginia Small Business Financing Authority to issue bonds for the Applicant's project for any reason, including, but not limited to, any decision by the Virginia Small Business Financing Authority in its sole discretion to allocate its allowable volume of bonds to other applicants.

The Applicant further represents that it understands the conditions of this Application, that there is no guarantee of approval, and that all statements and information furnished with this Application or on supporting papers are true and correct to its best knowledge and belief.

IN WITNESS WHEREOF, the undersigned, being duly authorized to do so, have/has signed this Application.

Name of Applicant

By:_____

Title_____

Sworn and subscribed before me this _____ day of _____ 20_____.

My commission expires: / / _____

EXHIBIT I

**FISCAL IMPACT STATEMENT FOR PROPOSED
TAX-EXEMPT BOND FINANCING
(Not Necessary for Taxable Financings)**

TO: The Virginia Small Business Financing Authority

(Name of Applicant)

(Facility)

(Date)

- | | | |
|-----|---|----------|
| 1. | Maximum amount of financing sought. | \$ _____ |
| 2. | Estimated current taxable value of the facility's real property in the municipality in which it is located. | \$ _____ |
| 3. | Estimated taxable value of the facility's real property once constructed or expanded. | \$ _____ |
| 4. | Estimated real property tax per year using present tax rates on the facility's real property once constructed or expanded. | \$ _____ |
| 5. | Estimated personal property tax per year from property to be located in expanded or constructed facility using present tax rates. | \$ _____ |
| 6. | Estimated merchants' capital tax per year from property to be located in, expanded or constructed facility using present tax rates. (This is a local tax. Check with the locality for information.) | \$ _____ |
| 7. | Estimated dollar value of goods and services that will be purchased in the Commonwealth during construction or expansion of the facility. | \$ _____ |
| 8. | Estimated dollar value per year of goods and services that will be purchased in the Commonwealth for the operation of the facility. | \$ _____ |
| 9. | Estimated dollar value per year of goods and services that will be produced and sold from the facility. | \$ _____ |
| 10. | Estimated number of employees during construction or expansion. | # _____ |
| 11. | Estimated number of regular employees on a year-round basis during operation. | # _____ |
| 12. | Average annual salary per regular employee during operation of the facility. | \$ _____ |

If any of the above answers do not apply to the project, indicate this by writing N/A (not applicable) on the appropriate line.